

29 April 2016

ASX Compliance Pty Limited  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000  
Attention: Mr Ben Secrett  
By email: [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au)  
[jeremy.newman@asx.com.au](mailto:jeremy.newman@asx.com.au)  
[ben.secrett@asx.com.au](mailto:ben.secrett@asx.com.au)

Dear Mr Secrett

### **ASX AWARE QUERY**

We refer to your letter dated 26 April 2016 in relation to the Company's securities.

We respond to each of your questions set out in that letter as follows:

1. Yes.

2. Not applicable.

3. The Company first became aware of the Donnelly Project as follows:

- From time to time the Company is approached by parties on an unsolicited and informal basis in relation to considering exploration and/or corporate transactions. The Donnelly Lithium Project ("Donnelly Project") was one such approach.
- After conducting a preliminary assessment and initial due diligence the Company's management had been involved in a series of confidential, informal and non-exclusive discussions and negotiations with an entity associated with Paul Askins and Helen Ansell ("the Vendor") for the Donnelly Project which had extended over a number of weeks before a recommendation could be put to the Board for consideration and the execution process be completed. The discussions and negotiations (which lacked certainty throughout the process until late last week) were ongoing prior to the receipt of the ASX Price and Volume Query on 18 April 2016. Late last week a number of significant terms were finally negotiated between both parties after the Company had responded to the ASX Price and Volume Query on 19 April 2016. These were pivotal terms and conditions which had to be negotiated and resolved prior to the recommendation being put to the Board and it being satisfied it could actually secure an option over the Donnelly Project.
- On 22 April 2016 the Board held its standard monthly Board Meeting at which amongst other agenda items the Heads of Agreement between the Company and the Vendor was tabled, discussed and ratified. Even with having conducted the preliminary due diligence the Heads of Agreement remains conditional upon the Company completing to its satisfaction final due diligence on the Donnelly Project specifically in relation to tenement related matters which must occur within one calendar month of execution.
- By late on 22 April 2016 the Company and the Vendors had executed the Heads of Agreement following the Board ratification process and the Company prepared a draft ASX Announcement which was circulated to the Board over the weekend 23/24 April 2016 for review and approval ahead of lodgement pre-commencement of trade on 26 April 2016 (given 25 April 2016 was a public holiday).

4. Refer response to question 3 above. With respect to the ASX Announcement dated 26 April 2016 on the Donnelly Project the Company did release the relevant details in a prompt and timely manner given the required due process the Company was required to follow and its disclosure obligations under ASX Listing Rule 3.1. The market responded accordingly to this ASX Announcement with the increase of approximately 36% on the previous trading day's closing price (2.2cps) and the closing share price (3 cps) on 26 April 2016 with material volumes traded.

In addition:

- The Company has in previous ASX Announcements since 15 March 2016 indicated that it had diversified its exploration strategy into lithium which commenced with the announcement of the strategic alliance and option agreement with International Lithium Corporation ("ILC"), a Canadian listed company (Stock Symbol: ILC: TSXV) pursuant to which the Company has an option to earn up to an 80% interest in the Mavis Lithium Project, in the Canadian Province of Ontario. On 6 April 2016 the Company announced it had secured 3 exploration licence applications in the Phillips River Lithium Project approximately 100kms east of the Mt Cattlin Lithium Mine in Ravensthorpe, Western Australia.
- At the point of receipt of the ASX Price and Volume Query on 18 April 2016, the Company had not secured any interest in the Donnelly Project, nor was there any certainty in relation to any potential acquisition proposal as the negotiations were not sufficiently advanced. The Company had previously disclosed to the market it was diversifying its exploration strategy into lithium opportunities and the Company considered that it was not aware nor in possession of any other materially price sensitive information that was not already in the market.
- As disclosed in the Company's previous response to the ASX Price and Volume Query on 19 April 2016 there has been significant interest in the Company's securities arising from the ASX Announcement lodged on 15 March 2016 advising of the Option Agreement and Strategic Alliance with ILC. The Company continues to acknowledge that since the above announcement was released ILC has had a significant appreciation in its share price particularly over the period 18 April 2016 to 22 April 2016 whereby the ILC share price almost trebled since it made its announcement on the transaction with the Company. The Company is also cognisant of the significant increases in its ASX listed peers which are involved in the exploration for/development of lithium projects in Australia and overseas.

5. Yes.

The Company confirms that it is in compliance with the ASX Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully

**PIONEER RESOURCES LIMITED**



JA Wolseley  
**Company Secretary**



26 April 2016

Julie Wolseley  
Pioneer Resources Limited  
21 Ord Street  
WEST PERTH WA 6005

**By email**

Dear Ms Wolseley

**PIONEER RESOURCES LIMITED (THE "ENTITY"): ASX AWARE QUERY**

ASX Limited ("ASX") refers to the following.

1. The change in the price of the Entity's securities from an opening price of \$0.017 to a closing price of \$0.024 (an increase of approximately 45%) on Monday, 18 April 2016, and a significant increase in the trading volume of the Entity's securities to a level that is in excess of the average trading volume on days when the Entity's securities are traded.
2. The price query letter issued to the Entity by ASX at 1.51pm AWST on Monday, 18 April 2016, in respect of the abovementioned change in the price of the Entity's securities, and the price query response from the Entity released on the ASX Market Announcements Platform ("Platform") at 7.09am AWST on Tuesday, 19 April 2016.
3. The Entity's announcement entitled "Pioneer Resources Acquires Donnelly Lithium Project in World Class Greenbushes Minerals District" released on the Platform at 7.30am AWST on Tuesday, 26 April 2016 (the "Announcement"), disclosing the Entity's entry into an option agreement to acquire a 90% interest in the Donnelly Lithium Project.
4. The change in the price of the Entity's securities today, Tuesday 26 April 2016, from an opening price of \$0.027, to an intra-day high of \$0.0325, and to a closing price of \$0.03 (an increase of approximately 36%), and a significant increase in the trading volume of the Entity's securities to a level that is in excess of the average trading volume on days when the Entity's securities are traded.
5. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
6. The definition of "aware" in Chapter 19 of the Listing Rules. This definition states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

7. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

*3.1A.3 A reasonable person would not expect the information to be disclosed.”*

8. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “Listing Rule 3.1A.2 – the requirement for information to be confidential”*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

The Guidance Note further states that ASX may form the view that information about a matter involving an entity has ceased to be confidential if there is a sudden and significant movement in the market price or traded volumes of the entity’s securities that cannot be explained by other events or circumstances. If an entity advises ASX that there is market sensitive information that has not been disclosed in reliance on Listing Rule 3.1A (as it must when it is asked that question by ASX) and it is not able to point to any other event or circumstance which explains the movement in the market price or traded volumes of its securities, ASX has no choice but to assume that the information in question has become known to some of those trading in the market and therefore is no longer confidential. Upon the entity being advised by ASX that it is of the view that the information has ceased to be confidential, Listing Rule 3.1A will no longer apply and the entity will then be obliged to make an immediate announcement about the information under Listing Rule 3.1.

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Announcement, or any part thereof (the “Information”), to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did the Entity first become aware of the Information? In answering this question, please specify the date and time when the Entity first became aware of the Information or any part thereof.
4. If the answer to question 1 is “yes” and the Entity first became aware of the Information before the time that the Announcement was released to the market, did the Entity make any announcement prior to that time which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 7.30am AWST on Friday, 29 April 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

## Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Ben Secrett

**Senior Adviser, Listings Compliance (Perth)**